

**Public Works Department
Fleet Management Division
Best Management Plan**

Purpose

The purpose of this plan is to create a strategic/tactical plan for Fleet to follow for the next year. In addition, the plan will provide an ongoing strategic direction for Fleet to align. Additionally, the plan will be used to educate and to inform our customers about the goals we plan to reach this next year and to include them as partners in the process. Finally, presenting this plan to those individuals and/or other decision makers we need to partner with to achieve our goals will facilitate allocating resources appropriately among departmental and organizational needs.

Background

The Fleet Management Division of the Public Works Department for the City of Buckeye has continually evolved and will continue to keep up with the anticipated new size and growth of the City. Labeled “Fleet Management”, and located in a six bay, 8000 square foot facility, with a 1200 square foot warehouse. Fleet Management now serves 59,500 citizens of our City (based on 2014 estimate according to the U.S. Census Bureau <http://quickfacts.census.gov>) by partnering with our departmental customers to provide all services related to the purchase, operation, maintenance and repair, as well as the disposal of 395 pieces of equipment (average age of six years 3 months) with a net worth of \$19,177,579, that is needed to ensure outstanding, cost effective services in all areas of City government.

The Division operates in alignment with its purpose, mission and values outlined below:

Purpose: To do our part in ensuring the highest quality of life possible for all who live and/or work in our City.

Mission: To provide effective management, maintenance and repair of fleet assets, to keep costs low, and departmental operations at peak efficiency and readiness.

Vision: Our workforce is engaged, enrolled, energized, empowered and enthusiastic to provide the highest level of fleet services to our customers.

Values:

- Best Quality - Do it right the first time
- Maintain a safe and wholesome work environment and opportunity for all employees
- Respect - Honor the opinions of all coworkers and customers
- Trust - Always do what we say we will do
- Innovation - Always open to and searching for new and better ways to do things
- Sense of Urgency - We value time and spend it well, realizing that every minute a piece of equipment is not available for our customers, productivity is lost
- A Commitment to Serve-Our customers and the citizens of our City
- A Commitment to Engage, Enroll, Energize, Empower and Excite our Employees
- To be environmentally sound

Discussion

The Fleet Management Division is an **Automotive Service Excellence (ASE)** Blue Seal Shop. We have eight committed individuals (see organizational chart on page 14) dedicated to the maintenance, repair and management of fleet assets and to meet the needs and objectives of our growing and thriving City. Our four technicians and one intern have ASE Certifications and Emergency Vehicle Certifications. The remaining three (Fleet Manager, Fleet Supervisor and Fleet Coordinator) add additional value by managing our fleet program.

Fleet Management Program

- Inventory on fleet assets
- Work Orders-maintenance and repair records
- Warranty Tracking
- Tracking of labor hours
- Parts-Ordering, inventory and posting
- Compliance Notification-Preventive Maintenance, Emission and Department of Transportation Inspections
- Reports-Life cycle costs, departmental costs and fueling

The following are our Three Pronged Approach to Fleet Management:

Maintenance

- Preventive/Proactive
- Intervals
- Compliance
- Scheduling
- Timeliness
- Evaluation
- Competitive

Repair

- Correct
- Competitive
- Evaluation
 - a. Vehicle
 - b. Process

Replacement

- Economical Life Cycle
- Funding
 - a. Depreciation
 - b. Separate Fund
- Timeliness
 - a. Customer Delivery
- Utilization
- Correct Equipment

The Fleet Management Division has had both a challenging and rewarding year. This year we became the twentieth certified fleet through Government Fleet Management Alliance (GFMA). We continue to be good stewards of our resources both financial and environmentally. We were able to sustain a vehicle replacement fund (thru annual depreciation) of \$1.4M for this past fiscal year (2014-15) which was used for the purchase of new and replacement vehicles and equipment. We also were able to save \$43,395 by monitoring and using factory warranty service for all covered repairs. With the effectiveness of our trained, dedicated, professional staff, we have continued to meet or exceed our key performance indicators that are based on industry standards (listed on pages 6-8) and those of our customers. We have continued to maintain our ASE Blue Seal Certification and for the seventh year in a row Fleet was recognized as one of the “100 Best Fleets” in North America, and a “Leading Fleet” through Government Fleet Magazine. We continue to conserve valuable, non-renewable resources by utilizing re-refined engine oil for oil conservation and synthetic transmission fluid to help extend our service intervals.

An objective look at our operation includes a review of our strengths, weakness, opportunities and threats as follows:

Strengths:

- An unusually committed, and highly skilled work force
- Satisfied customers- latest survey indicates that 100% of customers rate our service as satisfied or very satisfied
- Certified Fleet Management Organization - Government Fleet Management Alliance (GFMA)
- ASE Blue Seal Certification
- Master ASE Automotive Technician Certification (5)

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- Master Emergency Vehicle Technician Certification (1)
- Master Medium/Heavy Truck Technician Certification (4)
- Combined total of 80 ASE Certifications
- Combined total of 12 EVT Certifications
- APWA Certified Public Fleet Professional
- Extensive Preventive Maintenance Program
- Competitive Hourly Rate of \$78.16 for repair
- Involvement, Commitment and Support from Public Works Director

Weaknesses:

- Under staffed – Ratio of 70 vehicles to technicians
- Rely on outside source for fueling
- Providing adequate training to keep staff updated with new technology
- No funding for employee incentives (certifications)

Opportunities:

- With renewed interest in outsourcing across the country, we can more easily incorporate a “managed competition” mindset within our organization
- Make sure fleet assets are utilized efficiently and to replace high life cycle cost fleet assets to save dollars for our City
- Expand our IGA with Buckeye School Districts and the Town of Gila Bend for maintenance/repair and emission testing

Threats:

- Slow economic growth
- Privatization

The goals and objective for the coming years are:

- Maintain our Service Level Agreement with Departments
- Alternative Energy Resources to Reduce Carbon Foot Print
- Continuation of Right Sizing of Fleet
- Continuation of Vehicle/Equipment Replacement/Depreciation Funding
- Training for all staff
- Continue/ Expand our IGA with Buckeye School District for emission testing and possibly other entities such as the Town of Gila Bend
- Do more with less
- Sustainability Plan
- Maintain Fleet Certification

Though our fleet organization has been on a steady course of continued improvement through the past year, we believe the next few years will be pivotal in handling future growth and ensuring future success. We need to ensure that the City’s Capital Improvement Plan (CIP) project gets the priority funding that it deserves. The CIP includes the following:

- Fueling station which allows us to have better control on pricing and availability.
- Wash bay to keep our vehicles and equipment looking good and to insure that we are committed to be environmentally responsible.
- Because of the geography of Buckeye a new facility/ facilities, staffing (see proposed organizational chart page 14) that are strategically placed to meet the needs of City Departments especially Public Safety.

The continued use of our service level agreement will ensure all departments are aware of their responsibilities as they pertain to the City's Fleet assets and what Fleet Management will provide. With the help of the Fleet Management Committee and utilizing departmental expertise, we will work to continue the right sizing of the fleet. We will continue to ensure we do our part when it comes to utilizing "green" technology and a sustainable environment. We will work to find alternative fuel and clean fuel vehicles when possible and practical. Training our staff is one of our most important initiatives. By ensuring our technicians are up to date on the most recent tools, procedures and processes, we will be able to continue to keep up with the ever changing technology. Along with this, we will continue to be good stewards of the City's resources, especially in this time of an essentially flat revenue for the city.

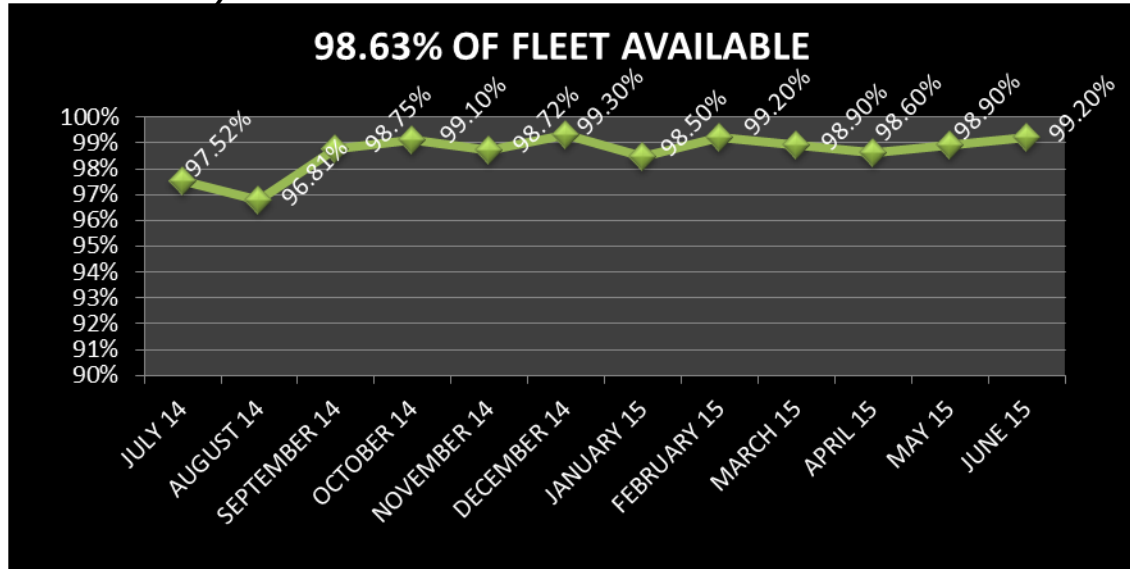
Summary

The Public Works Fleet Management Division is an Automotive Service Excellence (ASE) Blue Seal Shop that is committed to providing a full range of fleet management services. This division is committed to serving City departmental needs and continually stays abreast of new technologies and procedures related to fleet management. For the seventh year in a row we are a Top 100 Fleet in North America. We provide service on 395 vehicles and equipment that have been driven 2.6M miles this past fiscal year with a cost per mile at \$.46 (including police, fire and construction equipment), and assist seven departments on special requests. Our budget for this fiscal year 2015-16 is at \$891,157 a 3.6% increase from last year's budget of \$860,604. We expended \$857,144 for last fiscal year (see page 9). The business plan presented here is in keeping with the Public Works Department's goal to be good stewards of the City's resources. Our focus on providing outstanding customer service also ensures that the business of keeping the vehicles and equipment in a safe and well maintained condition will enhance the mission of each department in the City.

Fleet Management 2014-15 Key Performance Indicators

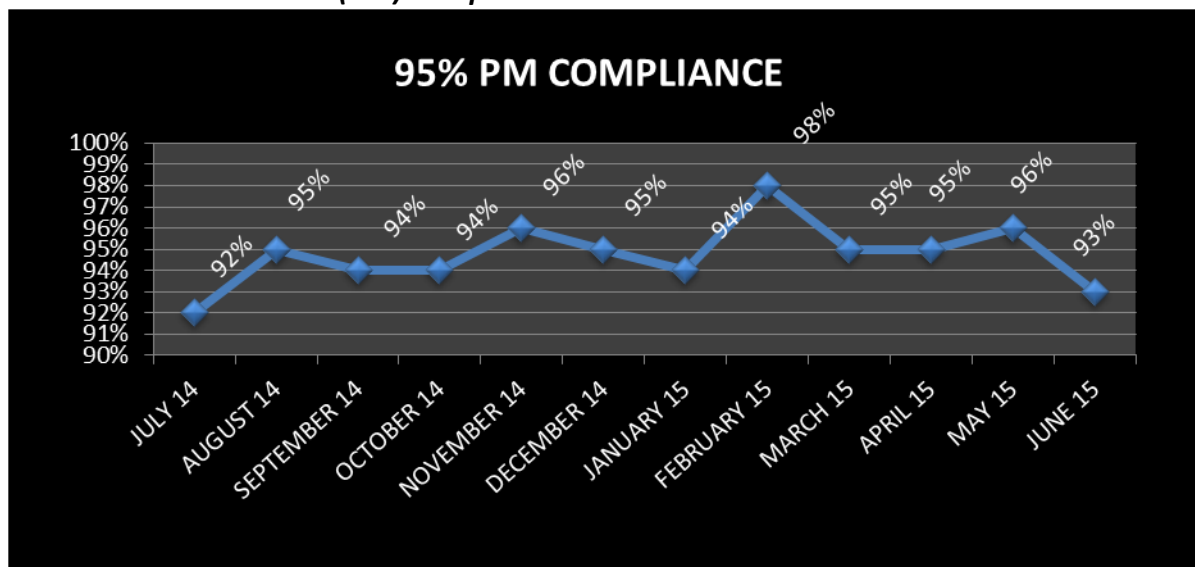
We processed 1,988 work orders during this year compared to 1,948 for fiscal year 2014-15, which is a tremendous effort from our staff. We were also diligent in managing our costs and came in \$3460.00 below budget. In addition, we received \$43,395 in warranty reimbursements, over \$940.99 from used oil recycling and placed \$43,704 (auction proceeds) in the Vehicle Replacement Fund.

Fleet Availability Goal: 96%- Actual 98.63%



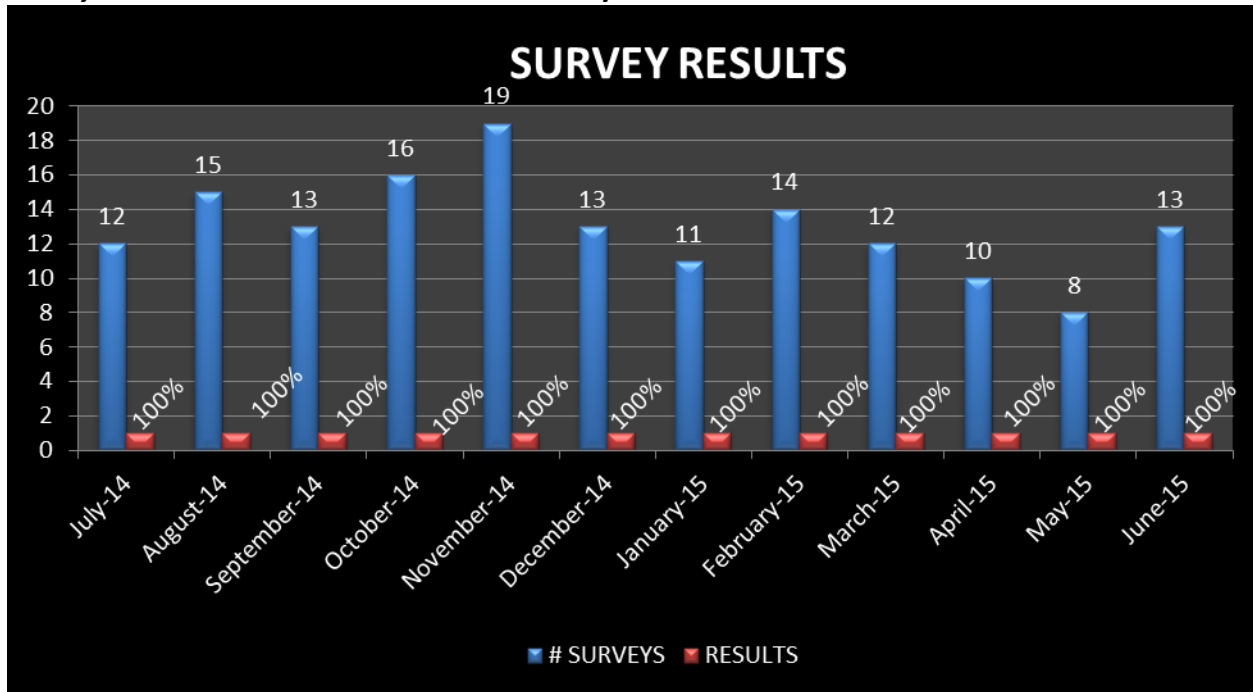
Fleet availability is defined as the percentage of vehicles/equipment available for use and not out of service due to maintenance or repairs.

Preventive Maintenance (PM) Compliance Goal: 95%- Actual 95%

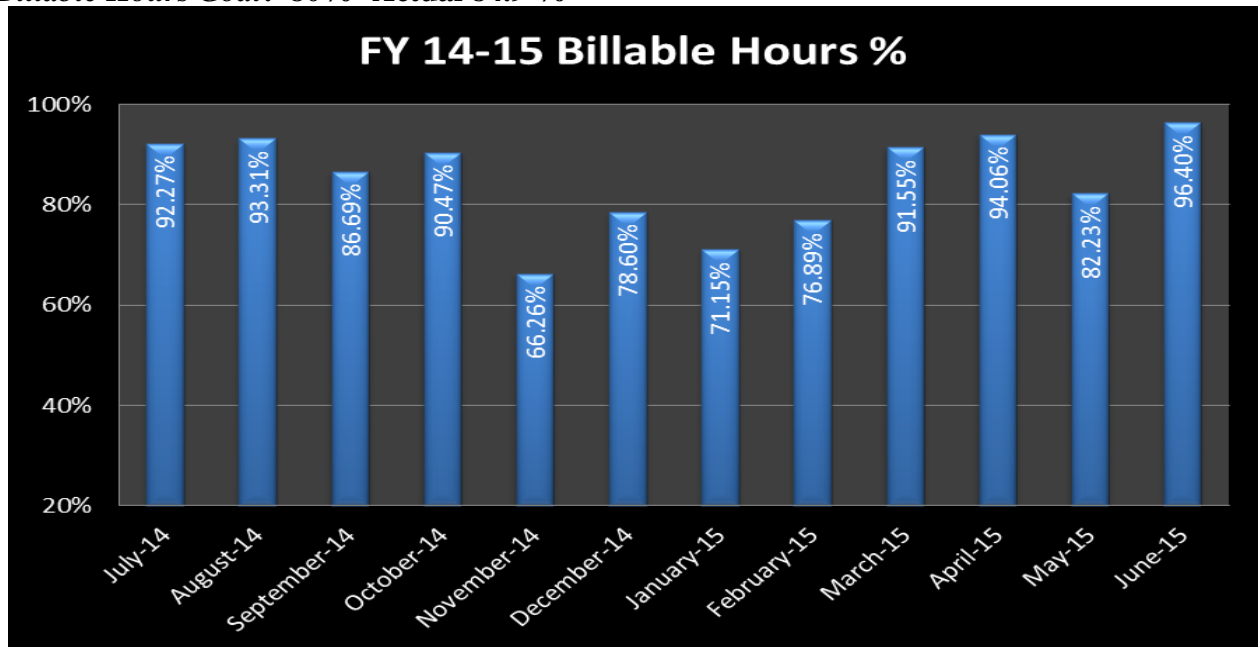


Preventive Maintenance is extremely important to the longevity of a vehicle; fleet places a high priority on accomplishing PM's when due.

Survey Results Goal: 98% - Results 100% Very Satisfied

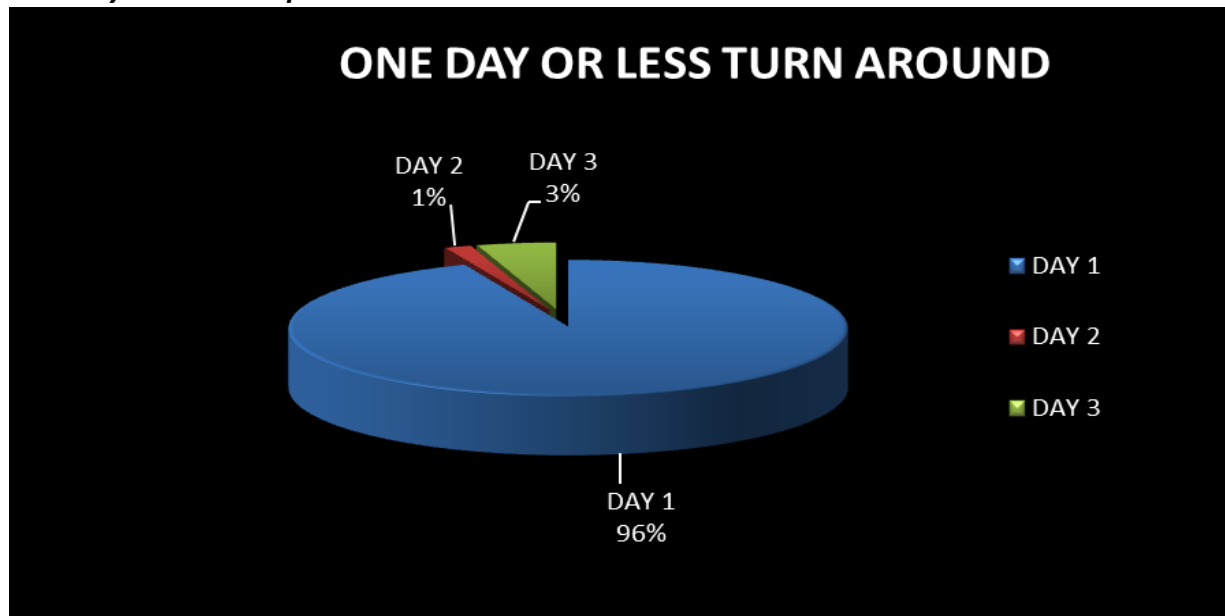


Billable Hours Goal: 80%- Actual 84.9 %



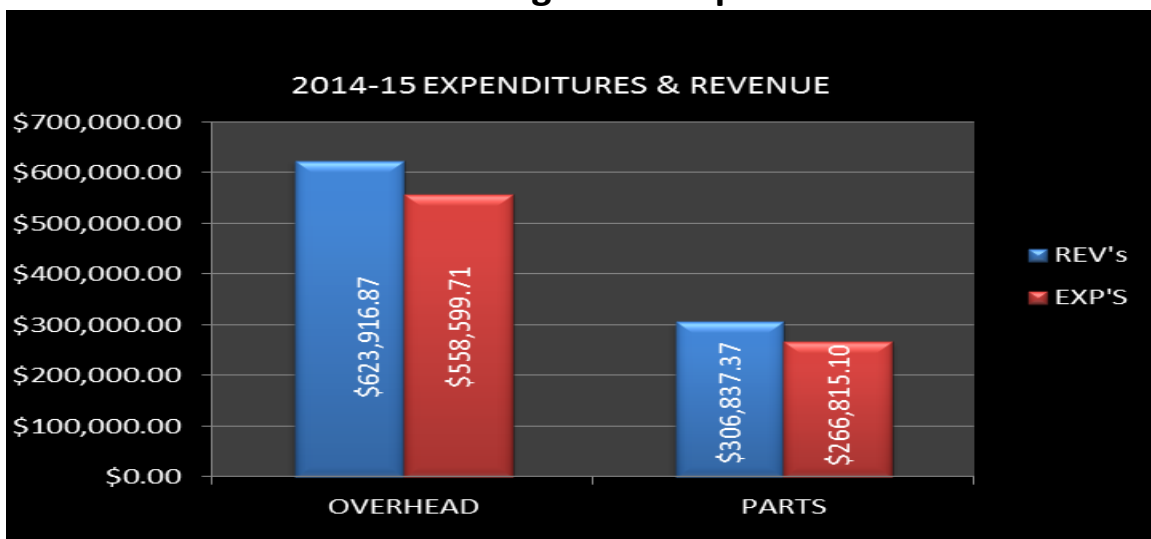
Billable hours are based on a 40 hour work week and we were at 84.9% for the 2014-15 fiscal year. Indirect hours (15.1%) make up tasks such as holiday time, breaks, training, vacation time, sick time, shop housekeeping, parts retrieval, etc.

One Day or Less Completion Goal: 70%- Actual 96%

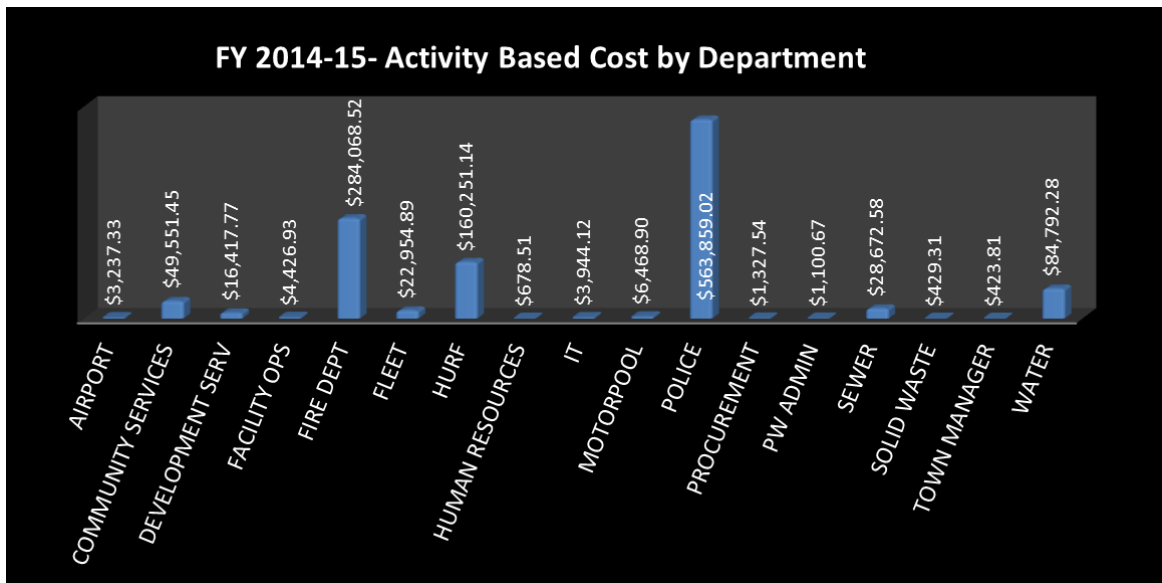
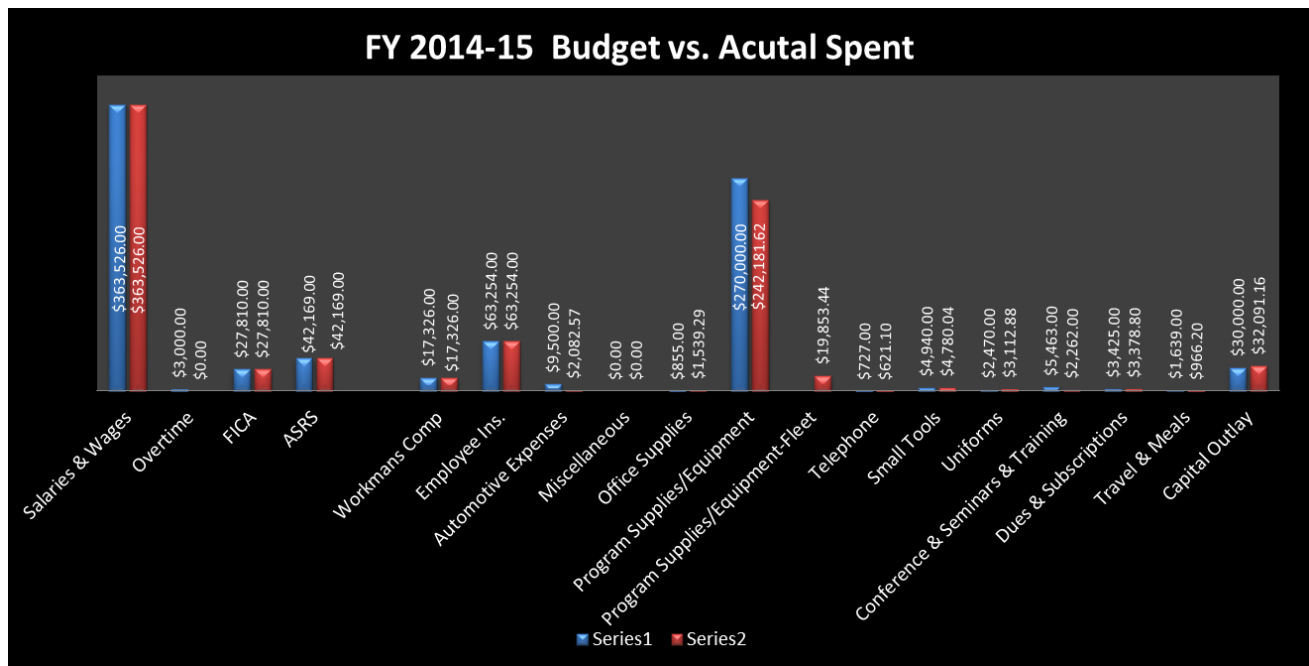


The one day or less completion goal is based on repairs or maintenance being completed within a work day of it being scheduled into the shop. The goal Fleet set was 70%. The weekly tallies are grouped into three categories, one day or less, two days and three or greater. Fleet has averaged a one day or less completion rate of 96% for the fiscal year. With the tremendous effort of our Fleet staff and the efforts of the departments to schedule routine maintenance, we were able to achieve our goal.

FY 2014-15 Budget and Expenditures



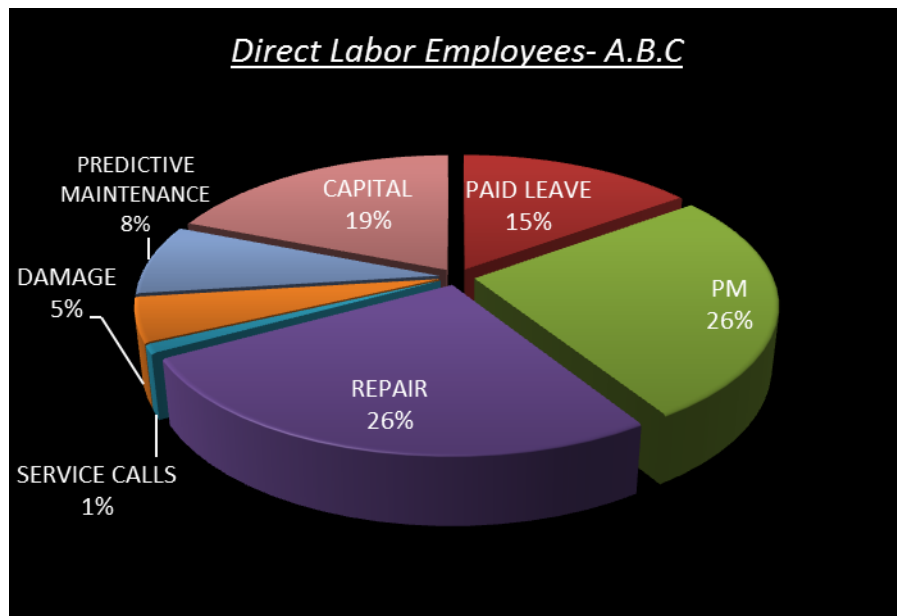
Based on 100% of fiscal year 2014-15 Finance Department Report (**EXP'S**) and based on information from Fleet Management System (**EXP'S + REV'S**). Overhead was formulated by overhead costs plus 15% markup on outside labor. Parts is formulated by parts purchased plus 15% markup.). Labor rate fiscal year 2014-15 was \$76.00.



Based on information from Fleet Management System, includes parts, labor and capital expenses.

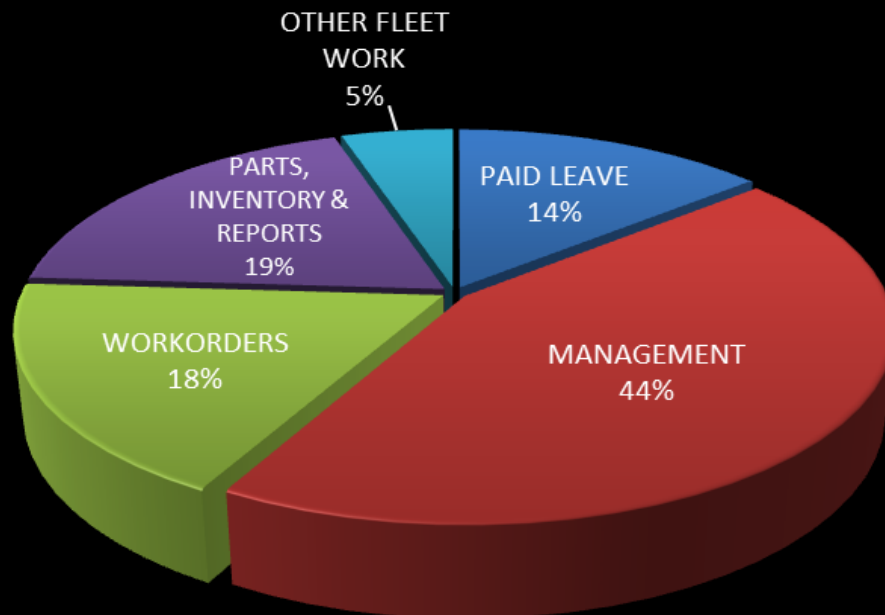
FY 2014-15 Activity Based Costing Analysis

The activity based costing, or ABC, provides the bottom line internal labor cost.



DIRECT LABOR EMPLOYEES			
<u>SHOP</u>	STAFF HOURS	% TL LABOR	Annual Staff Cost
TOTAL HOURS	8300		\$363,526.00
PAID LEAVE	1763	15%	\$54,528.90
PM	1944	26%	\$94,516.76
REPAIR	1905	26%	\$94,516.76
SERVICE CALLS	88	1%	\$3,635.26
DAMAGE	379	5%	\$18,176.30
PREDICTIVE MAINTENANCE	670	8%	\$29,082.08
CAPITAL	1551	19%	\$69,069.94
	8300	100%	\$363,526.00

Indirect Labor Employees- A.B.C



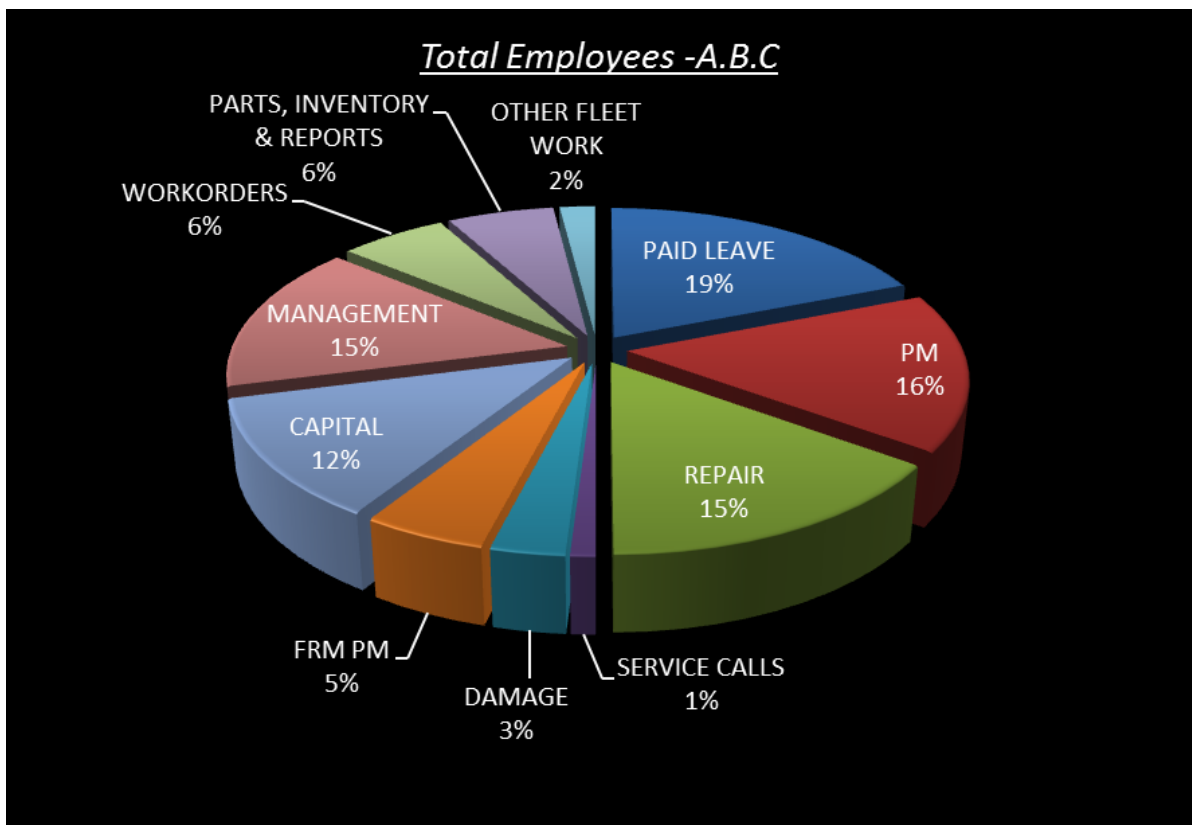
INDIRECT LABOR EMPLOYEES			
<u>OFFICE</u>	STAFF HOURS	% TL LABOR	Annual Staff Cost
TOTAL HOURS	4160		\$150,559.00
PAID LEAVE	590	14%	\$21,078.26
MANAGEMENT	1830	44%	\$66,245.96
WORKORDERS	713	18%	\$27,100.62
PARTS, INVENTORY & REPORTS	801	19%	\$28,606.21
OTHER FLEET WORK	226	5%	\$7,527.95
	4160	100%	\$150,559.00

Parts Inventory- 6-2015

The City of Buckeye Fleet Management Division utilizes RTA Fleet Management software to monitor all inventory. The inventory is broken down into part category groupings.

Inventory discrepancies are monitored by running a periodic Inventory Discrepancy Report. The report shows that we had .3% difference. Deficiencies are monitored and investigated by Fleet Management supervisors and staff.

The current inventory consists of 478 stocked parts. The turnover rate for the 486 stocked parts was 4.04. The current inventory value is \$37981.76



TOTAL EMPLOYEES			
<u>SHOP AND OFFICE</u>	<u>STAFF HOURS</u>	<u>% TL LABOR</u>	<u>Annual Staff Cost</u>
TOTAL HOURS	12460		\$514,085.00
PAID LEAVE	2353	19%	\$97,676.15
PM	1944	16%	\$82,253.60
REPAIR	1905	15%	\$77,112.75
SERVICE CALLS	88	1%	\$5,140.85
DAMAGE	379	3%	\$15,422.55
FRM PM	670	5%	\$25,704.25
CAPITAL	1551	12%	\$61,690.20
MANAGEMENT	1830	15%	\$77,112.75
WORKORDERS	713	6%	\$30,845.10
PARTS, INVENTORY & REPORTS	801	6%	\$30,845.10
OTHER FLEET WORK	226	2%	\$10,281.70
	12460	100%	\$514,085.00

